

SENATE BILL NO. 306

BY SENATOR MARTINY

1 AN ACT

2 To enact R.S. 33:2955(A)(1)(k), relative to investments by political subdivisions; to provide
3 for investment in debt instruments issued by any state other than Louisiana; to
4 provide for investment in debt instruments issued by political subdivisions of any
5 state other than Louisiana; to provide restrictions on such types of investments; to
6 provide requirements relative to political subdivisions purchasing such debt
7 instruments; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 33:2955(A)(1)(k) is hereby enacted to read as follows:

10 §2955. Investments by political subdivisions

11 A.(1) All municipalities, parishes, school boards, and any other political
12 subdivisions of the state are hereby authorized and directed to invest such monies in
13 any general fund or special fund of the political subdivision, and any other funds
14 under the control of the political subdivision which they, in their discretion, may
15 determine to be available for investment in any of the following obligations:

16 * * *

17 (k) Bonds, debentures, notes, or other indebtedness issued by a state of
18 the United States of America other than Louisiana or any such state's political
19 subdivisions provided that all of the following conditions are met:

20 (i) The indebtedness has a minimum rating of A3 or higher by Moody's
21 Investors Service or a rating of A- or higher by the Standard and Poor
22 Corporation or a rating of A- or higher by Fitch, Inc.

23 (ii) The indebtedness has a final maturity of no more than three years,
24 except that such three-year limitation shall not apply to funds held by a trustee,
25 escrow agent, paying agent, or other third-party custodian in connection with
26 a bond issue nor to investment of funds held by either a hospital service district,
27 a governmental 501(c)(3) organization, or a public trust authority.

1 (iii) Prior to purchase of any such indebtedness and at all times during
2 which such indebtedness is owned, the purchasing Louisiana political
3 subdivision retains the services of an investment advisor registered with the
4 United States Securities and Exchange Commission.

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PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____